

## MEMORANDUM

**To:** MCWD Board of Managers  
**From:** Lars Erdahl, District Administrator  
**Date:** April 14, 2016  
**Re:** 2017 Work Plan & Budget Process

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### **Purpose:**

Provide a proposed outline for the 2017 annual work plan and budget development process for information and consideration at the April 14, 2016, Minnehaha Creek Watershed District (MCWD) Board of Managers workshop meeting.

### **Background:**

MCWD is required annually to certify its budget and levy to Hennepin and Carver Counties by September 15. In preparation for budget and levy certification the MCWD Board of Managers and Staff annually initiate a process to:

- Review project and program work plans
- Develop and consolidate the total budget of these projects and programs
- Evaluate and set the projected levy through review of financing options (levy, grants, debt, carry-forward), modifying project/program timelines, and adjusting project/program initiatives.

### **Work Plan Process:**

Historically, work plans for projects and programs were presented incrementally over a series of meetings, accompanied with staff briefings to facilitate discussion, before being assembled into a total budget projection. For the 2016 budget process, work plans were presented at one time to provide added context for overall program, project and budget impacts. For the 2017 budget process, we propose that work plans be presented in context of overall budget and interactions among projects and programs

*Specifically, in response to direction provided and motions approved at the Board of Managers Retreat on April 7, 2016, in the coming weeks staff will:*

- Further refine CIP for 2017 (and 2018)
- Provide additional analysis and projection of anticipated carry-forward funds into 2017
- Review work plans for each program area within the context of required activities, past Board mandates and actions, budget impacts, impacts on services for target audience(s), consideration of alternative scenarios, strategic framework, etc.

## **Approach to 2017 Work Plans and Budget Review and Development:**

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In upcoming individual and/or joint MCWD Board committee meetings in May and June, staff will facilitate a budget overview from global-to-specific in order to:

- Review program relationships, alignment and fit with the 2-track approach;
- Evaluate Work Plan elements at the activity level to further define current and potential priorities for limited resources
- Develop models of potential budget and levy option scenarios
- Evaluate Work Plan for each division compared to 2016 budget and develop proposed options for 2017 budget
- Highlight major changes to project and program initiatives by division: Education & Communications; Operations & Support Services; Research & Monitoring; and Planning & Permitting.
- Follow Board of Managers direction to provide preliminary recommendation to align the 2017 budget with a “target” levy, utilizing strategic focus, carry-forward, reductions, financing, etc.

In order to focus MCWD efforts on major initiatives, strategic focus, areas of significant change, and fundamental financing principles, the project and program initiatives that represent routine functions and obligations (e.g. project warranty-phase work) or minimal change will be addressed, but will not be the focus of major review.

## **Next Steps:**

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Proposed schedule for the 2017 work plan and budget-levy development process:

<b>April 7, 2016:</b>	Review scope and scale of history, gaps, trends, CIP and priorities for 2017 budget and levy at Board Retreat meeting
<b>April 14, 2016:</b>	Review work plan budget process at Board Workshop
<b>May – June 2016:</b>	Further define project and program priorities in Committee meetings, etc.
<b>June 9, 2016:</b>	Review preliminary work plan and budget/levy scenarios at Board Workshop meeting
<b>July 2016:</b>	Review 2017 Work Plans and total budget/levy process & recommendations as needed at workshop, committee(s) and budget work group
<b>Aug 2016:</b>	Finalize 2017 Work Plans and total budget/levy recommendations as needed at workshop, committee(s) and budget work group
<b>Aug 10, 2016:</b>	Preview preliminary budget/levy recommendations for CAC
<b>Aug 11, 2016:</b>	Committee recommendations are reviewed & approved at Board Workshop & public hearing is scheduled and posted for the 2017 preliminary budget & levy.
<b>Sept 1, 2016:</b>	Board holds public hearing for preliminary 2017 budget and levy.
<b>Sept 8, 2016:</b>	Board adopts 2017 preliminary budget and levy
<b>Sept 15, 2016:</b>	Board certifies and sends preliminary 2017 budget and levy to Hennepin and Carver Counties.
<b>Dec 8, 2016:</b>	Opportunity for public comment at Board Workshop; adopt final levy